

ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES

On this the 14th day of January 2016, the Rosenberg Development Corporation (RDC) of the City of Rosenberg, Fort Bend County, Texas, met in Regular Session, at the Rosenberg Civic Center, located at 3825 Highway 36 South, Rosenberg, Texas.

PRESENT

Teresa Bailey	Secretary, Rosenberg Development Corporation
Amanda J. Barta	Director, Rosenberg Development Corporation
Ted Garcia	Treasurer, Rosenberg Development Corporation
Bill Knesek	President, Rosenberg Development Corporation
Lynn Moses	Director, Rosenberg Development Corporation
Jimmie J. Pena	Director, Rosenberg Development Corporation
Allen Scopel	Vice President, Rosenberg Development Corporation

STAFF PRESENT

Linda Cernosek	City Secretary
Dan Kelleher	Main Street Manager
Jeremy Heath	Assistant Economic Development Director
Randall Malik	Executive Director, Rosenberg Development Corporation
Travis Tanner	Executive Director of Community Development
Scott Tschirhart	City Attorney
Joyce Vasut	Executive Director of Administrative Services

GUESTS

Jack Belt	Executive Vice President, Greater Fort Bend Economic Development Council
Jeff Haley	Chair-Elect, Central Fort Bend Chamber
Regina Morales	President, Central Fort Bend Chamber
Jeff Wiley	President/CEO of the Greater Fort Bend Economic Development Council

CALL TO ORDER.

President Knesek called the meeting to order at 4:01 p.m.

STATEMENT OF RULES PERTAINING TO AUDIENCE COMMENTS.

Linda Cernosek, City Secretary, read the statement of rules pertaining to audience comments.

COMMENTS FROM THE AUDIENCE.

There were no comments from the audience.

CONSENT AGENDA

A. **CONSIDERATION OF AND ACTION ON THE REGULAR ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES FOR DECEMBER 10, 2015.**

B. **CONSIDERATION OF AN ACTION ON THE MONTHLY ROSENBERG DEVELOPMENT CORPORATION FINANCIAL REPORTS FOR THE PERIOD ENDING DECEMBER 31, 2015.**

The December 2015 RDC Financial Report is attached for your review and consideration. Staff recommends approval.

Action: Director Garcia moved, seconded by Director Scopel, to approve Consent Agenda Items A and B. The motion carried by a vote of 6-0. President Knesek abstained from voting on the December 10, 2015, minutes due to his absence from that meeting.

1. **CONSIDERATION OF AND ACTION ON A STANDARD SERVICES CONTRACT FOR PROMOTIONAL AND MEMBERSHIP SERVICES BY AND BETWEEN THE ROSENBERG DEVELOPMENT CORPORATION AND THE CENTRAL FORT BEND CHAMBER IN THE AMOUNT OF \$10,000.**

Executive Summary:

The Rosenberg Development Corporation has annually budgeted \$10,000 for promotional and membership services provided by the Central Fort Bend Chamber and \$2,500 for use of the Rosenberg Civic Center. \$12,500 has been budgeted in the Fiscal Year 2015-16 Budget for the Central Fort Bend Chamber.

Staff recommends authorizing the RDC President to execute the Standard Services Contract between the Rosenberg Development Corporation and Central Fort Bend Chamber.

Action: Director Pena moved, seconded by Director Moses, to accept the Standard Services Contract for promotional and membership services by and between the Rosenberg Development Corporation and the Central Fort Bend Chamber in the amount of \$10,000. The motion passed by a unanimous vote.

2. **REVIEW AND DISCUSS A PRESENTATION REGARDING ACTIVITIES CARRIED OUT BY THE GREATER FORT BEND ECONOMIC DEVELOPMENT COUNCIL FROM JEFF WILEY, PRESIDENT/CEO, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

Executive Summary: Jeff Wiley, President/CEO of the Greater Fort Bend Economic Development Council will attend the meeting to update the Board on current activities pursued by the Greater Fort Bend Economic Development Council.

Key discussion points:

- Jeff Wiley, President/CEO of the Greater Fort Bend Economic Development Council, gave a brief update on current activities pursued by the Greater Fort Bend Economic Development Council.
- The Greater Fort Bend Economic Development Council is a thirty (30) year old organization, concentrates on economic development; facility cooperation at a county level-focuses on quality growth; business recruitment through partnerships; keeping economic atmosphere attractive to communities; good schools; utility providers; cities that have a long term commitment; incentives; and infrastructure to name a few.

No action taken.

3. **CONSIDERATION OF AND ACTION ON A SERVICES CONTRACT FOR ECONOMIC DEVELOPMENT SERVICES BY AND BETWEEN THE ROSENBERG DEVELOPMENT CORPORATION AND THE GREATER FORT BEND ECONOMIC DEVELOPMENT COUNCIL IN THE AMOUNT OF \$20,000.**

Executive Summary: The Rosenberg Development Corporation has annually budgeted \$20,000 for economic development services provided by the Greater Fort Bend Economic Development Council. The Fiscal Year 2016 Budget includes \$20,000 for services provided by the Greater Fort Bend Economic Development Council.

Staff recommends authorizing the RDC President to execute the Services Contract between the Rosenberg Development Corporation and the Greater Fort Bend Economic Development Council.

Action: Director Pena moved, seconded by Director Scopel, to approve the Services Contract for Economic Development Services by and between the Rosenberg Development Corporation and the Greater Fort Bend Economic Development Council in the amount of \$20,000. The motion passed by a unanimous vote.

4. **CONSIDERATION OF AND ACTION ON A PERFORMANCE AGREEMENT BY AND BETWEEN THE ROSENBERG DEVELOPMENT CORPORATION AND FORT BEND CORPS.**

Executive Summary: The RDC has budgeted \$5,000 in Fiscal Year 2015-16 for Fort Bend Corps. The RDC – Fort Bend Corps Performance Agreement would provide funding of \$5,000 to Fort Bend Corps contingent upon a minimum investment of \$5,000 by the Fort Bend Corps towards the expansion of affordable housing in Rosenberg by December 31, 2016. Additionally, all funding by the RDC to Fort Bend Corps would be required to comply with Title 42 of the United States Code Section 12745, relating to the qualification as affordable housing.

Staff recommends authorizing the RDC President to execute the Performance Agreement by and between the RDC and Fort Bend Corps.

Action: Director Pena moved, seconded by Director Garcia, to approve a Performance Agreement by and between the RDC and Fort Bend Corps. The motion passed by a unanimous vote.

5. **REVIEW AND DISCUSS ROSENBERG DEVELOPMENT CORPORATION/ROSENBERG ECONOMIC DEVELOPMENT OFFICE SPACE, AND TAKE ACTION AS NECESSARY.**

Executive Summary: This Agenda item was requested by RDC President Bill Knesek to discuss office space for the RDC and City Economic Development staff.

Key discussion points:

- President Knesek recommended to the Board that the RDC fund and have constructed a building to house RDC staff. The concept discussed included a building concept on blocks including approximately 1,920 square feet with an additional 500 square feet of porch area (simple rectangular shape) with offsite parking and landscaping, for approximately \$250,000 with minimal upgrades. The cost would run around \$300,000 with additional upgrades.
- President Knesek stated the RDC should own the building rather than leasing. He wants to project a positive image and identity for the RDC.
- Scott Tschirhart, City Attorney, suggested the Brazos Town Center police substation is not being used that often and that area might also be a consideration.
- Some of the directors had alternate suggestions and wanted to explore other options.
- President Knesek recommended appointing a Property Search Committee consisting of Directors Pena, Moses, and Scopel to find a location and report back to the RDC Board at the meeting in February or March 2016.

Action: Director Garcia moved, seconded by Director Pena, to appoint a Property Search Committee consisting of Directors Pena, Moses, and Scopel to find a possible location for a proposed RDC building site and present findings to the RDC at the February or March 2016 Regular Meeting. The motion passed by a unanimous vote.

6. **CONSIDERATION OF AND ACTION ON PROPOSED AMENDMENTS TO THE ROSENBERG DEVELOPMENT CORPORATION BYLAWS.**

Executive Session: The RDC Policy Committee met on November 17, 2015, to review the RDC bylaws. Attached is a red-lined copy of each of the recommended changes proposed by the Policy Committee.

City Attorney Scott Tschirhart has reviewed the potential changes to the bylaws and will attend the meeting to discuss the bylaws with the Board. All proposed bylaw changes will also need to be taken to the City Council for approval.

Key discussion points:

- The following revisions to the current bylaws were recommended:
 - **1.01 Article I. Purpose; General Purpose – 1.01:** Randall Malik recommended that since the RDC does not have any plans to issue loans, that the Board keep the current bylaw language should remain as originally written for Article 1.01 and 1.02. It was further stated that this section should be reviewed during the annual bylaw review next year.
1.01 The Corporation acts on behalf of the City of Rosenberg, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act, with the exception of those projects the primary purpose of which is the financing of business through the granting of loans, which projects the Corporation is specifically prohibited from engaging in.
 - **1.02. Powers** The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act, with the exception of the limitation noted above.
- Director Garcia questioned **3.03 Number, Qualifications and Tenure of Directors:** “Not more than three (3) directors shall be persons who are employees, officers or members of the City Council of the City of Rosenberg, Texas.” Scott Tschirhart, City Attorney, clarified that the Council, if they wish, can appoint one, two, or three – they do not have to appoint three directors that fit in this category.
 - **4.09. Executive Director** ~~The Board of Directors may can appoint an designate a City of Rosenberg employee as the Executive Director to serve as the General Manager and Chief Administrative Officer of the Corporation. The Executive Director will be an employee of the City of Rosenberg and is subject to the supervision of the City Manager. The Executive Director shall perform the duties specifically delegated to him/her by the Board of Directors. Administrative and personnel services, and the specific rules related thereto are delineated in the annual Administrative Services Agreement between the Rosenberg Development Corporation and the City of Rosenberg.~~
- President Knesek stated he would like to see the Executive Director designee serve at the pleasure of the Board of Directors, and not under the City Manager; however, he does not want the Executive Director to lose any City benefits. He feels that the City Managers in the past have assigned other departments and responsibilities to the Executive Director. He feels the Director

should only serve at the pleasure of the RDC. Scott Tschirhart, City Attorney, will review the City Charter for conflicts and will put this on a future Council Workshop Agenda to discuss with the entire City Council. President Knesek requested that Mr. Tschirhart report his findings to the RDC Board at the February RDC Meeting.

- 5.03 *Committee Terms*, delete the words: "an incoming".
- **Article VI. Meetings. Annual Meeting** will read as follows:
- ⊖ 6.01 *The annual meeting of the Board of Directors shall be held during the month of July of each year. The Board of Directors shall designate the time and location of the annual meeting, which shall be held in the principal offices of the Corporation. In accordance with Article IV, the election of officers should be conducted at the regular annual meeting.*
- 6.07. **Actions of the Board of Directors** *The Board of Directors shall try to act by consensus. However, The vote of a majority of directors present at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board.*
- 7.04 **Checks and Drafts** shall read:
- 7.04. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness over \$5,000 issued in the name of the Corporation shall be signed or bear the facsimile of three (3) signatures, with the Executive Director, Director of Finance or his/her designee, and two (2) Directors of the Corporation and the President of the Corporation or his or her designee as authorized signatories, who shall be specifically designated by the Board.
- 7.05. **Budget** At least ~~ninety-sixty-(90)~~ (60) days prior to the commencement of each fiscal year of the Corporation, the Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall contain such classifications and shall be in such forms as may be prescribed by the City Council of the City of Rosenberg. The Corporation's budget shall not be effective until the same has been approved by the City Council of the City of Rosenberg.
- ⊖ 7.09. **Contracts** The Board of Directors by official action may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments. *The Corporation shall follow and be bound by the same purchasing and contracting provisions of State law, including the provisions on competitive bidding, that are applicable to the City of Rosenberg.*
- 7.13. **Potential Conflicts of Interest** *The members of the Board of Directors are local public officials within the meaning of the Texas Government Code Chapter 171. In transactions with the Corporation, Directors shall follow and be bound by the requirements and limitations of Chapter 171 of the Local Government Code, as amended. If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter. The Corporation shall not make a loan to a Director, Officer or employee of the Corporation or to an Officer or employee of the City of Rosenberg. Any Director may bring to the Board's attention any apparent or potential conflict of interest of any other Director in any transaction or matter coming before the Board of Directors for a decision. The Board of Directors shall make a determination on whether the Director has a conflict of interest before voting on the transaction or matter. The Director alleged to have the conflict of interest shall not vote on the determination of whether the conflict of interest exists. A Director who has a conflict of interest in a matter before the Board of Directors shall leave the room during any discussion and vote on that matter. This paragraph shall also apply to members of committees.*
- Randall Malik stated that once the bylaws are approved by the RDC Board, they will go to the City Council for approval.

7. **HOLD EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY CONCERNING PENDING LITIGATION, NAMELY DISPUTE WITH IMPERIAL PERFORMING ARTS, INC., PURSUANT TO SECTION 551.071 OF THE TEXAS GOVERNMENT CODE; TO DELIBERATE THE POTENTIAL PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072; AND REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS PURSUANT TO SECTION 551.087 OF THE TEXAS GOVERNMENT**

CODE.

An Executive Session was held to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.

8. ADJOURN EXECUTIVE SESSION, RECONVENE REGULAR SESSION, AND TAKE ACTION AS NECESSARY AS A RESULT OF EXECUTIVE SESSION.

The Executive Session was adjourned and reconvened into Regular Session. No action was taken as a result of the Executive Session.

9. CONSIDERATION OF AND ACTION ON A REPORT FROM THE ROSENBERG DEVELOPMENT CORPORATION EXECUTIVE DIRECTOR REGARDING THE PREVIOUS MONTH'S ECONOMIC DEVELOPMENT ACTIVITIES AND CONTACTS, WHICH INCLUDES UPDATES ON THE FOLLOWING:

- a. **ECONOMIC INDICATORS;**
- b. **BUSINESS RETENTION VISITS;**
- c. **NEW AND EXPANDED BUSINESSES;**
- d. **EXISTING BUSINESSES;**
- e. **RDC STRATEGIC PLAN; AND,**
- f. **PAST AND CURRENT RDC PROJECTS.**

Executive Summary: This item has been included to provide the Executive Director the opportunity to update the Board on the previous month's activities, contacts, and projects.

Key discussion points:

- Randall Malik, Executive Director, gave the following project updates:
 - Downtown Parking Lot – Jones & Carter is in the process of revising the design plans based on suggestions made at the December Board meeting. Revised plans showing the new entryway alignments are complete. Underground electrical and lighting designs are near completion. When City staff reviews and approves the updated plans, Jones & Carter can advertise for bids.
- Randall will report on Economic Indicators on a quarterly basis. The Economic Indicators measure economic development operations and the current market. In the future, the economic indicators can be utilized to develop goals for economic development activities.
- The RDC bylaws provide for a strategic plan to present to Council annually. Currently, the Economic Development Department provides a brief strategic plan for the Department as part of the overall City strategic plan. However, the plan is simply covers the Economic Development Department and not the RDC. Three options for the strategic plan were given to the RDC:
 - 1) Randall will amend the plan and deliver to the RDC;
 - 2) A facilitator may be invited to attend and the Board members will facilitate some ideas and develop a strategic plan from those ideas;
 - 3) The most costly method would be to have an outside firm that specializes in strategic plans come in and assist.

The RDC Board Members requested that Randall Malik amend and present the strategic plan for the RDC.

- Aldi Project – Aldi has submitted a formal reimbursement request for completion of the 674,349 square foot Distribution Center and Divisional Headquarters. Per our Development Agreement with Aldi, we will reimburse Aldi \$500,000 for infrastructure improvements for the Project. A certificate of occupancy was issued by the City of Rosenberg on December 7th. Aldi currently has the office portion open and plans to have a major hiring in July of 2016 to fully staff the office and distribution center.
- The Master Naturalist's Funding Agreement will be renewable in March 2016. The lake has been restocked, platforms have been built and fishing is taking place and fish are being caught.

10. REVIEW AND DISCUSS REQUESTS FOR FUTURE AGENDA ITEMS, AND TAKE ACTION AS NECESSARY.

Executive Summary: This item provides the RDC Board the opportunity to request future Agenda items.

Key discussion points:

- Review of RDC bylaws.
- Master Naturalist report.

11. **ANNOUNCEMENTS.**

- A retirement party for former City Manager, Robert Gracia, will be held on Monday, January 18, 2016, at the Rosenberg Civic Center from 5:30 to 7:30 p.m.
- The RDC will have a table at the Central Fort Bend Chamber luncheon on Friday, January 22, 2016, at Texas Safari Ranch.

12. **ADJOURNMENT.**

Director Garcia moved, seconded by Director Moses to adjourn the Regular Meeting of the Rosenberg Development Corporation. The motion passed by a unanimous vote. The meeting adjourned at 6:18 p.m.


Linda Cernosek, City Secretary